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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/777,044	02/13/2004	Bijan Tadayon	111325-311	3920

22204 7590 11/23/2007

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EXAMINER	
HEWITT II, CALVIN L	

ART UNIT	PAPER NUMBER
3621	

MAIL DATE	DELIVERY MODE
11/23/2007	PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No.	Applicant(s)	
	10/777,044	TADAYON ET AL.	
	Examiner	Art Unit	
	Calvin L. Hewitt II	3621	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *25 July 2007*.

2a)☐ This action is **FINAL**. 2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-54* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-54* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO/SB/08) Paper No(s)/Mail Date _____.
4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____ .
5) ☐ Notice of Informal Patent Application
6) ☐ Other: _____.

Status of Claims

1. Claims 1-54 have been examined.

Claim Rejections - 35 USC § 101

2. 35 U.S.C. 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

3. Claims 1-17 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

Claim 1 is directed to manipulating a "right". However, a right is not tangible. Therefore, claim 1 is rejected under 35 U.S.C. 101 as fails to produce a useful, concrete and tangible result (*State Street Bank & Trust Co. v. Signature Financial Group Inc.*, 47 USPQ2d 1596 (Fed. Cir. 1998)).

Claims 2-17 are also rejected as each depends from claim 1.

Claim Rejections - 35 USC § 112

4. The following is a quotation of the second paragraph of 35 U.S.C. 112:

> The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

5. Claims 2, 17, 21, 36, 38 and 54 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claim 2, 21, and 38 recite "wherein the dynamic condition is external to said usage right". However, to one of ordinary skill a usage right lacks "depth" or storage capacity, hence as the concept of something being "external" relative to a usage right is unclear to one of ordinary skill.

The term "time of distribution" in claim 17 is a relative term which renders the claim indefinite. The term "time of distribution" is not defined by the claim, the specification does not provide a standard for ascertaining the requisite degree, and one of ordinary skill in the art would not be reasonably apprised of the scope of the invention. Claims 36 and 54 are also rejected as each recites similar language to claim 17.

Claim Rejections - 35 USC § 102

6. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

7. Claims 1, 2, 6, 8-16, 18-21, 25, 27-35, 37-39, 43, and 45-53 are rejected under 35 U.S.C. 102(b) as being clearly anticipated by Stefik et al., U.S. Patent No. 5,638,443.

As per claims 2, 6, 8-16, 18-21, 25, 27-35, 37-39, 43, and 45-53, Stefik et al. teach a method for dynamically assigning usage rights comprising:

- specifying a usage right (figures 7-item 704, 10, 14 and 15; column/line 17/50-21/30; column/line 24/62-26/16) specifying use of digital content (e.g. audio, video, text, software) (column 5, lines 48-61)
- determining a status of a dynamic condition (i.e. time, time of day) (external to the usage right) (column 18, lines 50-56; column/line 21/32-22/18) and assigning the usage right to digital content based on the status of the dynamic condition (e.g. current time to establish expiration or metering dates) (column 21, lines 32-58)
- usage right such as fees (figure 15; column 17, lines 50-61; column/line 23/65-24/61), distribution (figure 15; column 18, lines 8-20; column 19, lines 44-58), number of times it can be used (column/line 20/63-21/10; column 23, lines 18-20; column 31, lines 30-40) and printing (figure 15; column 18, lines 8-20)

- dynamically assigning and determining using a computer system and/or instructions stored on a computer readable medium (column/line 12/1-16/55)

Regarding, when a status of a dynamic condition is determined, Stefik et al. teach performing this task continuously in order to properly establish periods of validity and/or expiration dates and times (column 11, lines 1-6; column 18, lines 50-56; column/line 21/30-22/15). Similarly, a content creator using the Stefik et al. determines a time periodically in order to establish validity periods as content is not created every instant of every day.

Claim Rejections - 35 USC § 103

8. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

9. Claims 3, 7, 22, 26, 40 and 44 are rejected under 35 U.S.C. 103(a) as being unpatentable over Stefik et al.. U.S. Patent No. 5,638,443 in view of Shah-Nazaroff et al., U.S. Patent No. 6,157,377.

As per claims 3, 7, 22, 26, 40 and 44, Stefik et al. teach assigning usage rights to content based on a dynamic condition such as time (column 18, lines 50-56; column/line 21/32-22/18). However, Stefik et al. do not disclose resolution. Shah-Nazaroff et al. teach assigning usage rights such as resolution to content (figures 4 and 5; column 2, lines 18-25, 39-43 and 53-67; column 3, lines 1-6 and 59-67; column 4, lines 42-54; column 6, lines 15-52). Shah-Nazaroff et al. also teach assigning a usage right (i.e. upgrade) based on the load of a distributing computer (column 2, lines 25-38). Therefore, it would have been obvious to one of ordinary skill to combine the teachings of Stefik et al. and Shah-Nazaroff et al. in order to allow users to take full advantage of the content processing features (e.g. high definition, surround sound) available on user devices (e.g. TV, DVD, computer) ('377, column 2, lines 16-24; column 3, lines 45-58; column/line 6/48-7/5; column/line 7/66-8/18).

10. Claims 4, 5, 23, 24, and 41 are rejected under 35 U.S.C. 103(a) as being unpatentable over Stefik et al.. U.S. Patent No. 5,638,443 and Shah-Nazaroff et al., U.S. Patent No. 6,157,377, as applied to claims 3, 22, above, and in further view of Cox et al., U.S. Patent No. 5,930,369.

As per claims 4, 5, 23, 24, and 41, Stefik et al. teach assigning usage rights to content based on a dynamic condition such as time (column 18, lines 50-56; column/line 21/32-22/18) while Shah-Nazaroff et al. teach assigning

usage rights such as a resolution to content and determining a resolution of the content for download (figures 4 and 5; column 2, lines 18-25, 39-43 and 53-67; column 3, lines 1-6 and 59-67; column 4, lines 42-54; column 6, lines 15-52). However, neither Stefik et al. nor Shah-Nazaroff et al. explicitly recite applying a sub-band decomposition algorithm to digital content to create sub-images and combining the sub-image into the determined content resolution. Cox et al. teach a method for watermarking audio, image, video or multimedia data by applying a sub-band decomposition algorithm (i.e. wavelet) (column 12, lines 5-12; column 14, lines 25-32 and 42-50) and combining the sub-images into a processed image (column/line 6/27-7/38). Therefore, it would have been obvious to one of ordinary skill to combine the teachings of Stefik et al., Shah-Nazaroff et al. and Cox et al. in order to identify unauthorized reproduction of content by persistently embedding a watermark into content ('369, column 1, lines 18-48, '443, figure 15; column 18, lines 8-15).

11. Claims 17, 36 and 54 are rejected under 35 U.S.C. 103(a) as being unpatentable over Stefik et al.. U.S. Patent No. 5,638,443.

As per claim 17, 36 and 54, Stefik et al. teach performing this task continuously in order to properly establish periods of validity and/or expiration dates and times (column 11, lines 1-6; column 18, lines 50-56; column/line 21/30-

22/15). Therefore, the prior art is elastic enough to encompass a user establishing a time period (column 18, lines 50-56) just prior to the actual distribution time (*KSR International Co. v. Teleflex Inc.*, 82 USPQ2d 1385 (U.S. 2007)).

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PRIMARY EXAMINER
11/15/07